

**SAN BERNARDINO COUNTY
FINANCING AUTHORITY**

AUDIT REPORT

JUNE 30, 2005

SAN BERNARDINO COUNTY FINANCING AUTHORITY

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
San Bernardino County Financing Authority
San Bernardino, CA

We have audited the accompanying combining statement of net assets of the San Bernardino County Financing Authority (the Authority) as of June 30, 2005, and the related combining statement of revenues, expenses and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the San Bernardino County Financing Authority as of June 30, 2005, and the respective changes in net assets and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis (MD&A) is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. The management of the San Bernardino County Financing Authority has elected to omit this information.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the San Bernardino County Financing Authority's financial statements. The information on pages 15 through 19 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
September 2, 2005

SAN BERNARDINO COUNTY FINANCING AUTHORITY
COMBINED STATEMENT OF NET ASSETS
JUNE 30, 2005

	Public Improvement Refunding	Pension Obligation	Total
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,284,035	\$ 110,234	\$ 2,394,269
Investments (Note 2)	4,928,369	464,776,682	469,705,051
Interest receivable	134,429	6,315,602	6,450,031
Total current assets	<u>7,346,833</u>	<u>471,202,518</u>	<u>478,549,351</u>
Noncurrent assets			
Deferred bond issuance costs	281,805	4,583,298	4,865,103
Total assets	<u>7,628,638</u>	<u>475,785,816</u>	<u>483,414,454</u>
LIABILITIES			
Current liabilities			
Interest Payable	131,910	6,315,337	6,447,247
Current portion of revenue bonds	1,060,000	20,160,000	21,220,000
Total current liabilities	<u>1,191,910</u>	<u>26,475,337</u>	<u>27,667,247</u>
Noncurrent liabilities			
Revenue Bonds (Net of current portion) (Note 3)	4,445,000	800,320,000	804,765,000
Bond Discount	(19,934)	(351,061,033)	(351,080,967)
Total noncurrent liabilities	<u>4,425,066</u>	<u>449,258,967</u>	<u>453,684,033</u>
Total liabilities	<u>5,616,976</u>	<u>475,734,304</u>	<u>481,351,280</u>
NET ASSETS:			
Restricted	<u>\$ 2,011,662</u>	<u>\$ 51,512</u>	<u>\$ 2,063,174</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**SAN BERNARDINO COUNTY FINANCING AUTHORITY
COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2005**

	Public Improvement Refunding	Pension Obligation	Total
REVENUES			
Investment Income:			
Interest and dividends	\$ 504,346	\$ 15,574,221	\$ 16,078,567
Accretion of interest income	-	18,114,819	18,114,819
Total revenues	504,346	33,689,040	34,193,386
EXPENSES			
Interest	422,387	15,252,763	15,675,150
Accretion of interest expense	-	18,114,819	18,114,819
Amortization of bond discount	3,852	-	3,852
Amortization of bond issuance costs	23,160	284,972	308,132
Other expenses	-	11,479	11,479
Transfer to Agency Fund	446,256	-	446,256
Total expenses	895,655	33,664,033	34,559,688
Changes in Net Assets	(391,309)	25,007	(366,302)
Net Assets - July 1, 2004	2,402,971	26,505	2,429,476
Net Assets - June 30, 2005	<u>\$ 2,011,662</u>	<u>\$ 51,512</u>	<u>\$ 2,063,174</u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

**SAN BERNARDINO COUNTY FINANCING AUTHORITY
COMBINED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2005**

	Public Improvement Refunding	Pension Obligation	Total
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Principle payments on revenue bonds	\$ (1,925,000)	\$ (17,315,000)	\$ (19,240,000)
Interest paid	(467,390)	(15,732,533)	(16,199,923)
Transfer to Agency Fund	(446,256)	-	(446,256)
Net cash used for capital and related financing activities	(2,838,646)	(33,047,533)	(35,886,179)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	554,589	15,771,670	16,326,259
Proceeds from sales of investments	1,979,194	17,315,000	19,294,194
Other expenses	-	(11,479)	(11,479)
Net cash provided by investing activities	2,533,783	33,075,191	35,608,974
Increase (decrease) in cash and cash equivalents	(304,863)	27,658	(277,205)
Cash and cash equivalents at June 30, 2004	2,588,898	82,576	2,671,474
Cash and cash equivalents at June 30, 2005	<u>\$ 2,284,035</u>	<u>\$ 110,234</u>	<u>\$ 2,394,269</u>

**SAN BERNARDINO COUNTY FINANCING AUTHORITY
STATEMENT OF FIDUCIARY NET ASSETS -
AGENCY FUNDS
JUNE 30, 2004**

	Agency Fund Public Improvement Refunding
ASSETS	
Cash and cash equivalents	<u>\$ 551,514</u>
Total current assets	<u> 551,514</u>
LIABILITIES	
Agency fund payable	<u> 551,514</u>
Total liabilities	<u><u>\$ 551,514</u></u>

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS

**SAN BERNARDINO COUNTY FINANCING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE 1: DESCRIPTION OF THE AUTHORITY AND ACCOUNTING POLICIES

The San Bernardino County Financing Authority (the "Authority") was created pursuant to a Joint Exercise of Powers Agreement (the "Agreement") dated May 16, 1966 as amended on July 1, 1982, and May 1, 1983, as amended and restated on March 27, 1989, and as amended on February 15, 1994 and between the County of San Bernardino (the "County") and the San Bernardino County Flood Control District (the "District"). The 1994 amendment changed the name of the Authority from San Bernardino Building Authority to San Bernardino County Financing Authority to better reflect the broad purposes of the Authority.

The Agreement authorizes the Authority to provide financing for public capital improvements for the County, to acquire such public capital improvements, and to purchase certain underlying obligations issued by or in behalf of the County. Obligations may be in the form of assessment district bonds, community facilities district bonds, general obligation bonds, limited obligation bonds, revenue bonds, notes, lease-purchase agreements and other evidence of indebtedness. The financial position and results of operations of the services provided are reflected in the funds of the joint powers authority.

All activities of the Authority are presented as proprietary funds. The Authority's financial statements are presented on the accrual basis of accounting. Under this method, income is recognized when earned and expenses recorded when incurred. The Authority is deemed to be a component unit of the County. All accounts and records of the Authority's projects are maintained by trustee banks.

The Authority records all investments that are not actively traded in the securities market at cost or amortized cost. The Authority treats all investments with original maturities of three months or less as cash equivalents. The Authority has investments in Capital Appreciation Bonds, which are also called "zero-coupon" or "deep-discount" bonds. These investments, which are purchased at their issue price, are deeply discounted from the face value, have no regular interest payments and are payable at maturity at their face value. Since the Capital Appreciation Bonds are not actively traded in the securities market, the Authority records all investments in Capital Appreciation Bonds at the accreted value. The accreted value as of the calculation date of a capital appreciation bond is the sum of the total of principal and interest payable per the bond indenture. The Authority records the increase in the value of the investments each year as accretion of investment income.

The Authority has capitalized deferred issuance costs and bond premium (discount) and deep-discounts associated with the bond issues. The deferred issuance costs and bond discount are being amortized over the term of the respective bonds using the straight-line method. The deep-discount is being amortized based on the accreted value of the bonds at year-end. The Authority records the amortization of deep-discount as accretion of interest expense.

SAN BERNARDINO COUNTY FINANCING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 1: DESCRIPTION OF THE AUTHORITY AND ACCOUNTING POLICIES
(continued)

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of management's estimates. Actual results could differ from those estimates.

In accordance with Governmental Accounting Standards Board Statement No. 34 (GASB 34), a statement of net assets, a statement of revenues, expenses, and changes in net assets, and a statement of cash flows are presented. GASB 34 requires the classification of net assets into three components – invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of invested in capital assets, net of related debt. Rather, that portion of the debt is included in the same net assets component as the unspent proceeds.

Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

During fiscal year 2004-05, the Authority adopted the provisions of Governmental Accounting Standards Board Statement No. 40, "*Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3.*" This statement is effective for periods beginning after June 15, 2004. This statement addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The statement requires certain disclosures of investments that have fair values that are highly sensitive to changes in interest rates.

SAN BERNARDINO COUNTY FINANCING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 2: CASH AND INVESTMENTS

Fiscal agents acting on behalf of the Authority held all cash and investments from long-term debt issuances. In accordance with the terms of the trust agreements, cash and investments are segregated and restricted for specified purposes. The trustee banks for the Authority are as follows:

<u>Bond Issue</u>	<u>Trustee</u>
Public Improvement Refunding Revenue Bonds	US Bank
Pension Obligation Revenue Bonds	BNY Western Trust Company

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustees are governed by provisions of the debt agreements. Authority bonds currently outstanding were issued for the purpose of acquiring specified local bonds. In addition to these local bonds, the debt agreements specify permitted investment types along with any related insurance, collateral, or minimum credit rating requirements. Investments in money market funds are required to have a rating of AA or better for the Public Improvement Refunding Bonds and A or better for the Pension Obligation Revenue Bonds.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In general, the longer the maturity of an investment, the more sensitive its fair value is to changes in market interest rates. The Authority has managed its exposure to interest rate risk by purchasing investments with maturity dates and amounts that coincide to a large degree with the Authority's debt service requirements. Additionally, bonds held as investments carry a higher interest rate than the Authority's bonds payable. As a component unit of the County of San Bernardino which uses weighted average maturity to monitor its interest rate risk, the Authority has elected weighted average maturity for its disclosure method.

As of June 30, 2005, the Authority's investments were as follows:

<u>Investment</u>	<u>Maturity</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (Years)</u>
Municipal Bonds	8/1/2005 - 8/1/2021	\$ 469,705,051	9.68
Mutual Funds	7/1/2005	<u>2,394,269</u>	0.00
Total Investments		<u><u>\$ 472,099,320</u></u>	

SAN BERNARDINO COUNTY FINANCING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 2: CASH AND INVESTMENTS (continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of investment in a single issuer. Investments in any one issuer that represent 5 percent or more of total investments are shown below:

Issuer - Municipal Bonds	Fair Value
County of San Bernardino	\$ 442,715,624
South Coast Air Quality Management District	26,989,427
	<u>\$ 469,705,051</u>

Credit Risk

The Authority's investment in Assessment Bonds and Pension Obligation Revenue Bonds are not rated. The Authority's investments in money market funds were rated Aaa by Moody's Investors Service.

The investments of each bond issue are described below:

Public Improvement Refunding

Investments consist of County Assessment District 94-2 Limited Obligation Bonds (Assessment Bonds). The Assessment Bonds are payable from annual reassessment payments collected on assessed parcels within the 94-2 Assessment District.

Per bond covenant, with respect to delinquencies in the payment of assessments, the County is to start foreclosure proceedings against any parcel with delinquencies in excess of \$1,000, or against any parcel or parcels owned by a single taxpayer in excess of \$1,000.

Information on special assessment delinquencies is shown below:

(A)	(B)	(C)	(D)	(E)
Fiscal Year	Number of Parcels Levied	Assessment Amount Levied	Amount of Delinquent Assessments	Percentage of Delinquent Assessments (D ÷ C)
2004/05	4,676	\$ 1,613,209	\$ 220,393	14%
2003/04	4,657	\$ 1,632,451	\$ 302,889	19%
2002/03	4,642	\$ 1,648,314	\$ 372,700	23%
2001/02	4,646	\$ 1,645,566	\$ 401,641	24%
2000/01	9,638	\$ 1,774,318	\$ 392,466	22%

SAN BERNARDINO COUNTY FINANCING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 2: CASH AND INVESTMENTS (continued)

The information for fiscal year 2004-05, 2003-04, 2002-03, 2001-02, and 2000-01 is dated July 1, 2005, July 1, 2004, July 1, 2003, July 1, 2002, and July 1, 2001, respectively.

Pension Obligation

Investments consist of Pension Obligation Revenue Bonds issued by the County and the South Coast Air Quality Management District (the AQMD). Since these investments are not actively traded in the securities market, they have been reported at amortized cost.

NOTE 3: LONG-TERM DEBT

Public Improvement Refunding Revenue Bonds

On June 30, 1994 the Authority issued 1994 Public Improvement Refunding Revenue Bonds, Series A (the "Revenue Bonds - Series A"), in the amount of \$12,050,000 and Subordinated 1994 Public Improvement Refunding Revenue Bonds Series B (the "Revenue Bonds - Series B"), in the amount of \$10,490,000. The Revenue Bonds were issued to enable the Authority to acquire the County of San Bernardino Assessment District 94-2 Limited Obligation Refunding Bonds (the "Assessment Bonds"). The County issued the Assessment Bonds to refund nine prior series of assessment bonds and to repay two related assessment loans.

The Revenue Bonds are payable solely from and secured by revenues from the repayments of the Assessment Bonds, investment income with respect to funds held by the Trustee in the funds established under the Indenture and any other investment income received by the Trustee.

Interest is payable on the Revenue Bonds - Series A, semi-annually at an interest rates of 7 percent. Interest is payable on the Revenue Bonds - Series B, semi-annually at interest rates from 7.2 percent to 7.5 percent.

The Bonds maturing on and after September 2, 2001, are subject to optional redemption prior to maturity at the option of the Authority on any interest payment date, at the following premiums, plus accrued interest to the redemption date:

<u>Redemption Dates</u>	<u>Premium</u>
September 2, 2003 and thereafter	0%

**SAN BERNARDINO COUNTY FINANCING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005**

NOTE 3: LONG-TERM DEBT (continued)

Pension Obligation Bonds

On December 13, 1995 the Authority issued Current Interest Authority Bonds in the amount of \$298,595,000 and Capital Appreciation Authority Bonds in the amount of \$121,932,487 (collectively referred to as the "Authority Bonds"). The Authority Bonds were issued to provide funds to enable the Authority to purchase the San Bernardino County 1995 Pension Obligation Refunding Bonds (the "County Bonds") and the South Coast Air Quality Management District 1995 Pension Obligation Refunding Bonds (the "AQMD Bonds") which were issued by the County and AQMD respectively, to allow them to refinance each of their unfunded accrued actuarial liability with respect to retirement benefits for their respective employees.

The repayment of the Authority Bonds is secured by a first lien on and pledge of all amounts payable by the County and AQMD on the County Bonds and the AQMD Bonds.

Interest is payable on the Current Interest Authority Bonds semi-annually at interest rates from 6.69 percent to 7.09 percent. Interest on the Capital Appreciation Authority Bonds compounds semi-annually at interest rates from 7.56 percent to 7.70 percent payable solely at maturity.

The Authority Bonds are not subject to redemption prior to maturity.

The following is a summary of changes in the Bonds for the fiscal year ended June 30, 2005:

Description	July 1, 2004	Additions	Reductions	June 30, 2005
Public Improvement Refunding				
Revenue Bonds - Series A	\$ 3,605,000	\$ -	\$ 875,000	\$ 2,730,000
Revenue Bonds - Series B	3,825,000	-	1,050,000	2,775,000
Pension Obligation				
Current Interest Authority Bonds	236,675,000	-	17,315,000	219,360,000
Capital Appreciation Authority Bonds	601,120,000	-	-	601,120,000
	<u>\$ 845,225,000</u>	<u>\$ -</u>	<u>\$ 19,240,000</u>	<u>\$ 825,985,000</u>

SAN BERNARDINO COUNTY FINANCING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2005

NOTE 3: LONG-TERM DEBT (continued)

The annual requirements to amortize all bonds outstanding at June 30, 2005, including interest payments of \$62,571,796 over the life of the debt, are as follows:

Description	2005-06	2006-07	2007-08	2008-09	2009-10
Public Improvement Refunding					
Revenue Bonds - Series A	\$ 678,425	\$ 681,675	\$ 662,825	\$ 343,425	\$ 333,825
Revenue Bonds - Series B	739,650	742,770	727,560	396,688	352,312
Pension Obligation					
Current Interest					
Authority Bonds	34,642,457	36,318,063	38,082,014	39,921,442	41,865,880
Capital Appreciation					
Authority Bonds	-	-	-	-	-
	<u>\$36,060,532</u>	<u>\$37,742,508</u>	<u>\$39,472,399</u>	<u>\$40,661,555</u>	<u>\$42,552,017</u>

Description	2010-15	2015-20	2020-24	Total
Public Improvement Refunding				
Revenue Bonds - Series A	\$ 517,425	\$ 132,600	\$ -	\$ 3,350,200
Revenue Bonds - Series B	352,750	-	-	3,311,730
Pension Obligation				
Current Interest	89,945,009	-	-	280,774,865
Authority Bonds				
Capital Appreciation				
Authority Bonds	<u>152,050,000</u>	<u>307,295,000</u>	<u>141,775,000</u>	<u>601,120,000</u>
	<u>\$ 242,865,184</u>	<u>\$ 307,427,600</u>	<u>\$ 141,775,000</u>	<u>\$ 888,556,795</u>

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SCHEDULE ONE

**SAN BERNARDINO COUNTY PUBLIC FINANCING AUTHORITY
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUND
FOR THE YEAR ENDED JUNE 30, 2005**

	Agency Funds
	Public Improvement
	Refunding
Cash and cash equivalents	
Balance at July 1, 2004	\$ 205,697
Additions:	
Special assessments	2,398,110
Investment Income	2,897
Transfer from Enterprise Fund	<u>446,256</u>
Total additions	2,847,263
Payments:	
Interest paid	475,860
Principal payments on assessment bonds	1,979,194
Premium paid on early redemption of assessment bonds	45,576
Other expenses	<u>816</u>
Total payments	<u>2,501,446</u>
Balance at June 30, 2005	<u><u>\$ 551,514</u></u>

SCHEDULE TWO

**SAN BERNARDINO COUNTY FINANCING AUTHORITY
SCHEDULE OF DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2005**

**PUBLIC IMPROVEMENT REFUNDING
REVENUE BONDS - SERIES A**

Fiscal Year	Due September 2		Due March 2	
	Principal	Interest	Interest	Total
2005-06	\$ 505,000	\$ 95,550	\$ 77,875	\$ 678,425
2006-07	545,000	77,875	58,800	681,675
2007-08	565,000	58,800	39,025	662,825
2008-09	275,000	39,025	29,400	343,425
2009-10	285,000	29,400	19,425	333,825
2010-11	285,000	19,425	9,450	313,875
2011-12	45,000	9,450	7,875	62,325
2012-13	35,000	7,875	6,650	49,525
2013-14	35,000	6,650	5,425	47,075
2014-15	35,000	5,425	4,200	44,625
2015-16	40,000	4,200	2,800	47,000
2016-17	40,000	2,800	1,400	44,200
2017-18	40,000	1,400	-	41,400
TOTALS	\$ 2,730,000	\$ 357,875	\$ 262,325	\$ 3,350,200

SCHEDULE THREE

**SAN BERNARDINO COUNTY FINANCING AUTHORITY
SCHEDULE OF DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2005**

**PUBLIC IMPROVEMENT REFUNDING
REVENUE BONDS - SERIES B**

Fiscal Year	Due September 2		Due March 2	
	Principal	Interest	Interest	Total
2005-06	\$ 555,000.00	\$ 102,315.00	\$ 82,335.00	\$ 739,650.00
2006-07	600,000.00	82,335.00	60,435.00	742,770.00
2007-08	630,000.00	60,435.00	37,125.00	727,560.00
2008-09	335,000.00	37,125.00	24,562.50	396,687.50
2009-10	315,000.00	24,562.50	12,750.00	352,312.50
2010-11	340,000.00	12,750.00	-	352,750.00
TOTALS	\$ 2,775,000.00	\$ 319,522.50	\$ 217,207.50	\$ 3,311,730.00

**SAN BERNARDINO COUNTY FINANCING AUTHORITY
SCHEDULE OF DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2005**

**PENSION OBLIGATION
CURRENT INTEREST AUTHORITY BONDS**

Fiscal Year	Due August 1		Due February 1	Total
	Principal	Interest	Interest	
2005-06	\$ 20,160,000.00	\$ 7,578,404.50	\$ 6,904,052.50	\$ 34,642,457.00
2006-07	23,295,000.00	6,904,052.50	6,119,011.00	36,318,063.50
2007-08	26,755,000.00	6,119,011.00	5,208,003.25	38,082,014.25
2008-09	30,555,000.00	5,208,003.25	4,158,439.00	39,921,442.25
2009-10	34,755,000.00	4,158,439.00	2,952,440.50	41,865,879.50
2010-11	39,375,000.00	2,952,440.50	1,576,284.25	43,903,724.75
2011-12	44,465,000.00	1,576,284.25	-	46,041,284.25
TOTALS	\$ 219,360,000.00	\$ 34,496,635.00	\$ 26,918,230.50	\$ 280,774,865.50

SCHEDULE FIVE

**SAN BERNARDINO COUNTY FINANCING AUTHORITY
SCHEDULE OF DEBT SERVICE
FOR THE YEAR ENDED JUNE 30, 2005**

**PENSION OBLIGATION REVENUE BONDS
CAPITAL APPRECIATION AUTHORITY BONDS**

Fiscal Year	Due August 1		
	Initial Principal	Accreted Interest	Total
2012-13	\$ 14,052,383.55	\$ 34,232,616.45	\$ 48,285,000.00
2013-14	13,615,908.25	37,029,091.75	50,645,000.00
2014-15	13,161,011.20	39,958,988.80	53,120,000.00
2015-16	12,736,477.60	42,983,522.40	55,720,000.00
2016-17	12,319,506.50	46,130,493.50	58,450,000.00
2017-18	11,958,877.60	49,356,122.40	61,315,000.00
2018-19	11,608,089.50	52,716,910.50	64,325,000.00
2019-20	11,265,271.05	56,219,728.95	67,485,000.00
2020-21	10,982,496.00	59,817,504.00	70,800,000.00
2021-22	10,232,465.75	60,742,534.25	70,975,000.00
TOTALS	\$ 121,932,487.00	\$ 479,187,513.00	\$ 601,120,000.00